

Introduced by Senator Dutton

February 25, 2009

An act to amend Section 38563 of, and to add Section 38561.5 to, the Health and Safety Code, relating to air pollution, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 295, as introduced, Dutton. California Global Warming Solutions Act of 2006.

The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to adopt regulations to require the reporting and verification of emissions of greenhouse gases and to monitor and enforce compliance with the reporting and verification program, and requires the state board to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions levels in 1990 to be achieved by 2020. The act requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions. The state board is required to evaluate the total potential costs and total potential economic and noneconomic benefits of the plan. The state board is required by January 1, 2011, to adopt greenhouse gas emissions limits and emission reduction measures by regulation to achieve the prescribed emission reductions.

This bill, notwithstanding this provision or any other provision of law, would prohibit the state board or its staff from beginning to develop these regulations until June 1, 2009, and until the state board reevaluates the evaluation of costs discussed above. The bill would prohibit the state board from implementing those regulations until the unemployment rate in the state is below 5.8% for 3 consecutive months. The bill would

also require the state board to evaluate, and make public, the costs of those regulations.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 38561.5 is added to the Health and Safety
2 Code, to read:

3 38561.5. (a) Notwithstanding Section 38562 or any other
4 provision of law, the state board or its staff shall not begin to
5 develop the regulations described in Section 38562 until all of the
6 following occur:

7 (1) June 1, 2009, at the earliest.

8 (2) The state board has completed an additional peer-reviewed
9 study to reevaluate the evaluations made pursuant to subdivision
10 (d) of Section 38561 that takes into consideration any
11 peer-reviewed comments on the original evaluations. This
12 additional study shall include all of the following:

13 (A) Estimates of the actual costs in every year, and for every
14 sector of the economy, of the recommendations identified in the
15 scoping plan adopted pursuant to Section 38561, and shall not
16 include only annual averaged costs.

17 (B) Estimates of overall costs and savings and the
18 cost-effectiveness of the reductions identified in the scoping plan
19 adopted pursuant to Section 38561, including appropriate inclusion
20 of reductions in copollutants.

21 (C) Estimates of the timing of capital investments, annual
22 expenditures to repay those investments, and the resulting cost
23 savings.

24 (D) Sensitivity of the results to changes in key inputs, including
25 energy price forecasts and estimates of measure costs and savings.

26 (E) Impacts on small businesses.

27 (3) The Legislative Analyst has certified that the study required
28 by paragraph (2) has been completed.

29 (b) Notwithstanding Section 38562 or any other provision of
30 law, the state board shall not implement the regulations described
31 in Section 38562 until the unemployment rate in the state is below

1 5.8 percent for three consecutive months. The state board shall not
2 be required to suspend regulations implemented after the
3 unemployment rate in the state is below 5.8 percent for three
4 consecutive months, if the unemployment rate again rises to 5.8
5 percent or greater.

6 (c) The state board shall evaluate, and make public, the costs
7 of each regulation adopted pursuant to Section 38562.

8 SEC. 2. Section 38563 of the Health and Safety Code is
9 amended to read:

10 38563. ~~Nothing~~ *Except as provided in Section 38561.5, nothing*
11 *in this division restricts the state board from adopting greenhouse*
12 *gas emission limits or emission reduction measures prior to January*
13 *1, 2011, imposing those limits or measures prior to January 1,*
14 *2012, or providing early reduction credit where appropriate.*

15 SEC. 3. This act is an urgency statute necessary for the
16 immediate preservation of the public peace, health, or safety within
17 the meaning of Article IV of the Constitution and shall go into
18 immediate effect. The facts constituting the necessity are:

19 In order to ensure that the adoption of greenhouse gas emission
20 reduction regulations does not negatively impact the state's
21 economy, it is necessary that this act take effect immediately.